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# HOME Investment Partnerships Program Tenant Based Rental Assistance (“TBRA”) Administration Manual



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# Section 1: HOME Program Introduction

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The HOME Investment Partnerships Program Tenant-Based Rental Assistance (“TBRA”) is a rental subsidy that can be used to help income qualified households pay for housing costs including rent, security deposits, and utility deposits.

## 1.1 Program Overview

The TBRA program provides rental assistance to qualified households to increase housing choice and affordability.

- The amount of TBRA subsidy varies per household. The amount of subsidy is based upon the income of the household, the rent requested by the landlord for the particular unit the household selects, and a rent reasonableness standard. See Section 2.3 for additional information on calculating rent subsidy.
- TBRA assistance moves with the tenant. If the household no longer wishes to rent a particular unit, the household may take its TBRA and move to another rental property as long as the term of the TBRA has not expired.

The TBRA program differs from IHCD’s HOME rental housing program. Whereas the HOME rental program provides capital funding for non-profit housing developers to build or preserve affordable housing, the TBRA program provides rental assistance. TBRA program funds cannot be used as capital funds.

# Section 2: Eligible and Ineligible Activities, Subsidy Calculation, and Claims

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## 2.1 Eligible Activities

### Rental Assistance

IHCDA has designed its TBRA program to improve the range of housing options for income qualified formerly incarcerated individuals. The definition of formerly incarcerated is in Section 3.2. Rental assistance payments may be made on behalf of qualified households for a period of time not to exceed 24 months. Rental assistance payments must be paid directly to a third-party on behalf of the household.

### Security Deposits

- In accordance with [24 CFR 92.209 \(j\)](#), the amount of HOME funds provided for a security deposit may not exceed the equivalent of two month's rent for the unit.
- Security deposits must be paid directly to the landlord on behalf of the participant.
- If the security deposit is returned in part or full at the end of the lease, it must return to the subrecipient that issued it and be counted as program income in accordance with [24 CFR 92.503](#).

### Utility Deposit Assistance

- Utility deposit assistance may be provided so long as it's provided in conjunction with TBRA security deposit or tenant-based rental assistance.
- Utility deposit assistance may be used only for utilities permitted under the [IHCDA Utility Allowance schedule](#). This does not include items such as telephone and cable/satellite television. See Section 2.4 for more information regarding utility allowances.
- Ongoing utility bills and utility arrears cannot be paid with TBRA funds.

### Administrative Costs

- Eligible administrative costs may be found at [24 CFR 92.207 \(a\)](#), and include reasonable costs of overall program management, coordination, monitoring, and evaluation. The costs of inspecting the housing and determining the income eligibility of the family are also eligible administrative costs.
- Administrative costs claimed against the HOME TBRA admin award cannot exceed 10% of the total award.

## 2.2 Ineligible Activities

- HOME TBRA may not be used to assist a resident owner of a cooperative or mutual housing unit when that resident is recognized by state law as a homeowner.
- HOME TBRA may not be used to prevent the displacement of tenants from projects assisted with HOME Rental Rehabilitation Program funds.
- HOME TBRA may not duplicate existing rental assistance programs. For example, if the household is already receiving assistance under the Section 8 Housing Choice Voucher Program, the household may not also receive assistance under the TBRA program.
- HOME TBRA may not be used to pay rental arrears.

## 2.3 Calculation of Rental Subsidy

The amount of monthly TBRA a subrecipient may pay on behalf of a household may not exceed the difference between the rent standard for the unit size (this program will use the HUD published Fair Market Rents as the rent standard) and 30% of the household's monthly adjusted income (see Section 4 for income calculation methodology). The rent amount that the landlord is requesting must be determined to be reasonable (see Section 2.5).

The household must make a "minimum tenant contribution" of \$25 per month. However, this minimum contribution can be waived if the household is determined to have a financial hardship. The financial hardship waiver only applies to households paying the minimum tenant contribution. If the tenant paid rent portion exceeds the minimum contribution of \$25, the household is not eligible for a financial hardship waiver.

Financial hardship includes the following situations:

(1) The household has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a household member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996. A hardship will be considered to exist only if the loss of eligibility has an impact on the household's ability to pay the minimum rent. For a household waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A household whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

(2) The household would be evicted because it is unable to pay the minimum rent. For a household to qualify under this provision, the cause of the potential eviction must be the household's failure to pay rent to the owner or tenant-paid utilities.

(3) Household income has decreased because of changed household circumstances, including the loss of employment.

If a participant's utility allowance is \$25 or greater, they are considered to have met the minimum rent contribution.

## 2.4 Utility Allowances

Utility allowance schedules are used to determine the portion of the housing costs that will be paid with TBRA and the portion that will be paid by the participant. The utility allowance schedule estimates the average cost of utilities for typical types of housing (single-family, row house, high-rise, etc.) and for various utilities and fuel sources (gas, oil, electricity, water, sewer, etc.). The current utility schedules are available [on IHCD's utility allowance webpage](#).

### Utility Allowance Calculation Example

To calculate the utility allowance for a TBRA participant, subrecipients must review the HOME TBRA-Request for Unit Approval Form which the landlord fills out and the landlord's lease to

identify each utility the tenant will be responsible for. The subrecipient should then add the tenant paid utility allowances from the HUD-52667 form (utility allowance schedule) for the relevant county and unit type to calculate the total utility allowance for the unit.

For example, a TBRA participant is planning to lease a one bedroom apartment in a multifamily property in Adams County. The lease states the owner will pay for sewer and trash collection and the tenant will be responsible for all other utilities. The owner will provide a microwave and refrigerator. The owner states the unit uses natural gas for heating, cooking, and the water heater. The unit also has central air. Using the Adams County Multi-family HUD-52667 the relevant utility allowances are identified (see picture below).

Locality			
Adams County			
Utility or Service		0 BR	1 BR
Heating	a. Natural Gas	25	35
	b. Bottle Gas	67	88
	c. Oil / Electric	45	63
	d. Coal / Other	58	78
Cooking	a. Natural Gas	3	4
	b. Bottle Gas	8	11
	c. Oil / Electric	5	9
	d. Coal / Other	0	0
Other Electric		34	41
Air Conditioning		8	12
Water Heating	a. Natural Gas	23	26
	b. Bottle Gas	21	31
	c. Oil / Electric	18	24
	d. Coal / Other	0	0
Water		14	14
Sewer		18	27
Trash Collection		13	13
Range/Microwave		7	7
Refrigerator		6	6
Other – specify Stormwater		4	4

Adding together the relevant utility allowances (circled) the total utility allowance for this unit is identified as \$132.

The calculated utility allowance of \$132 is used to determine if the unit meets the fair market rent (FMR). The HUD calculated 2018 FMR for a One-bedroom unit in Adams County is \$579. The FMR includes the utility allowance, so the rent amount listed on the lease for this unit must be below the FMR minus the utility allowance which is \$447.

When calculating the tenant portion of the rent, the utility allowance should be included. For example, if the tenant in this unit has a monthly adjusted income of \$500 they would be responsible for contributing 30% of their income towards utilities and rent each month. Since the utility allowance for this unit is \$132 the tenant would have a tenant portion of rent of \$18.

## 2.5 Rent Reasonableness

Rent must be determined to be reasonable to ensure that a fair rent is paid for each unit rented under the program. The following factors will be taken into consideration when determining rent reasonableness:

- Location and age of unit
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
- The quality of the unit including the quality of the original construction, maintenance and improvements made
- Amenities, services, and utilities included in the rent

Please use [www.GoSection8.com](http://www.GoSection8.com) to determine rent reasonableness. To request a username and get access to the website, please email the TBRA Program Analyst as IHCDCA can assign usernames to individual users for this program. See the Rent Reasonableness User Manual (available via the [TBRA web page](#)) or contact the TBRA Program Analyst for guidance on how to determine rent reasonableness. Rent reasonableness must be re-determined annually. Under no circumstances can TBRA funds be used to pay rent amounts which are above the HUD published Fair Market Rent amount or are determined to be unreasonable. Please print out the rent reasonableness determination from the GoSection8 website and place it in the tenant's file.

## 2.6 Claims Submission Process

Funds are disbursed on a reimbursement basis through claims submitted at <https://online.ihcda.in.gov/>. Subrecipients must submit claims to IHCDCA at least once per month. For information on how to use IHCDCA online, submit a claim, and the required documentation refer to the [Partner's Guide to IHCDCAOnline](#). Supplement A lists the required documentation for the HOME TBRA program which is also listed below. Questions regarding the claims process and access to the system should be submitted to [claims@ihcda.in.gov](mailto:claims@ihcda.in.gov). If the question is on eligible activities, please contact the TBRA Program Analyst.

Required claim documentation:

- Claim Summary Pages (generated from IHCDCAonline)
- Other Supporting Documentation including:
  - General Ledger
  - IDIS Report Form (see Section 2.7)
  - Administrative invoices/receipts where the amount charged to the program equals or exceeds \$200

## 2.7 IDIS Reporting

IHCDCA is required to submit participant information directly to HUD through their Integrated Disbursement and Information System (IDIS). IDIS is a HUD software system for HOME and other entitlement funds. An IDIS Report Form must be completed by the subrecipient for all participants. This form must be submitted with the monthly claim, as well as emailed to the TBRA Program Analyst at the same time as the claim submission. IHCDCA will enter this information into IDIS. If there are changes in the amount of rent being charged for an existing participant, a new IDIS Report Form must be completed by the subrecipient. Check the "Revision" box on the form and submit to the TBRA Program Analyst.



## Section 3: Participant Selection and Eligibility

### 3.1 Overview

The subrecipient must select participants in accordance with a written participant selection policy that has been approved by IHCD. The participant selection policy must clearly specify how households will be selected for participation in the TBRA program. (See Section 3.5)

### 3.2 Participant Eligibility

In addition to meeting HOME eligibility regulations as defined in Sections 3 and 4 of this manual, eligible participants under this program are households in which at least one household member was formerly incarcerated. For the purpose of this program, formerly incarcerated is defined as 1) persons exiting the corrections system, with a preference for persons currently exiting and at risk of homelessness due to a lack of stable housing; or 2) individuals currently experiencing homelessness who were formerly incarcerated.

### 3.3 Income Eligibility

Households that receive TBRA assistance must have a gross annual income that does not exceed the 50% AMI HOME income limit for the county, as published annually by HUD and released by IHCD via [RED Notice](#). For more information on determining income eligibility, see Section 4 below.

### 3.4 Ineligibility of Students

The 2013 HOME Final Rule updated the definition of qualified households to include a student status eligibility determination. Therefore, all households assisted by TBRA must meet the Section 8 program restrictions on student participation found at [24 CFR 5.612](#). Please use the Student Status Verification Form to verify student status found [here](#) (Appendix B-Compliance Forms #36).

If a household contains an adult student enrolled in an institute of higher learning who is under age twenty-four (i.e. age 18-23), then the household must meet an exemption to qualify for TBRA assistance. **This is true whether the student is full or part-time.**

If the student meets one of the following criteria, then the household is eligible:

1. Student is a dependent of the household;
2. Student is a veteran of the United States Military;
3. Student is married;
4. Student is a parent with dependent child(ren);
5. Student a person with a disability that was receiving Section 8 assistance prior to 11/30/05;
6. Student can prove independence from his or her parents based on the following:
  - A. Of legal contract age under state law; AND
  - B. Has established a separate residence from parents (not counting a dormitory or student housing) for at least one year, or meets the US Department of Education definition of independent which includes an individual who was an orphan or ward of the state through age eighteen (18), is living with a legal dependent, or is a graduate or professional student; AND
  - C. Is not claimed on parents' tax returns; AND

- D. Parents must certify whether or not they provide financial assistance (this does not affect student eligibility but could affect income eligibility).
7. If none of the above applies, the household can qualify if the student's parents are income-eligible under the HOME income limits for the county in which they live.
- A. If the parents are divorced or separated, get a declaration from both parents.
  - B. If the parents refuse to provide declaration of income and/or statement of whether or not they provide financial assistance, then the household is not eligible.

Households that do not meet this requirement are not eligible for TBRA. If the household invokes the student rule and claims to meet an exception, the subrecipient must obtain proof that the household qualifies and document the file.

### 3.5 Participant Selection Policy Guidance

The participant selection policy must clearly specify how participants will be selected for participation in the TBRA program including how any local preferences will be applied.

All participant selection plans must:

- Specify any preferences such as for currently homeless persons or other vulnerable populations.
- Include the definition of formerly incarcerated (Section 3.2)
- Acknowledge that the program follows the nondiscrimination requirements of the Fair Housing Act, HUD's Equal Access rule, and the Violence Against Women Act (VAWA).
- Identify any screening criteria including income eligibility.
- Identify the method by which potential participants apply.

## Section 4: Income Eligibility

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### 4.1 Income Eligibility Requirements

All households receiving TBRA must be income eligible. Therefore, the income verification process must be completed before the TBRA assistance begins. It is the responsibility of the subrecipient to be aware of and comply with the following income requirements.

TBRA is limited to households with a gross annual income at or below the 50% AMI HOME income limit for the county, as published by HUD annually and released by IHCD via [RED Notice](#).

IHCDA has chosen to utilize the Part 5 definition (commonly known as the “Section 8 definition”) for determining annual income. The annual income definition is found at [24 CFR Part 5.609](#). The Part 5 definition of annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

For additional information on determining income eligibility, refer to the following resources:

- Chapter 5 of HUD Handbook 4350.3 *Occupancy Requirements of Subsidized Multifamily Housing Programs*
  - Section 1: Determining Annual Income
  - Section 3: Verification
  - Exhibit 5-1: Income Inclusions and Exclusions
  - Exhibit 5-2 Assets
  - Appendix 3: Acceptable Forms of Verification
- [“Technical Guide for Determining Income and Allowances for the HOME Program”](#)

Households must be income eligible at the time of lease execution. An income verification is good for six months from the time of the verification. If more than six months lapse, the household income must be re-verified.

### **Record Keeping**

Beneficiaries are eligible for the program only if the proper documentation verifying the household’s eligibility is placed in its file. IHCD strongly recommends efficient record keeping for monitoring purposes. According to HUD regulation, the client file must be kept for “x” number of years following grant close-out.

A summary sheet may be placed in the beneficiary files as a self-checklist for subrecipients. The following is a guideline for what information to include in the beneficiary file:

### **Eligibility Documentation**

At a minimum, the following items must be located in the file and must be organized in chronological order for easy review:

1. Beneficiary Application for Assistance
2. Verification that participant meets formerly incarcerated definition (referral letter/third party verification)
3. Tenant Income Certification Questionnaire Form

- Completed at the time the beneficiary submits an application for assistance. A separate form must be completed by each adult household member.
- 4. Tenant Income Certification Form
  - Must be signed and dated by all adult members of the household
  - Should be completed at the time of the initial income verification and if the initial income verification has expired, at the time of re-verification
  - The set aside should be listed as 50%
- 5. Verifications of all sources of earned and unearned income and of all asset sources noted on the Tenant Eligibility Questionnaire and Tenant Income Certification
  - 3<sup>rd</sup> party verifications are the preferred method of income verification
  - When utilizing paystubs as support documentation for verifying and anticipating income from wages of a beneficiary/tenant whose job provides steady employment (e.g. forty (40) hours a week fifty-two (52) weeks a year), you must obtain the number of paystubs that cover two (2) consecutive months of payments. For beneficiaries/tenants with jobs providing employment that is less stable or does not conform to a twelve (12) month schedule (e.g. seasonal laborers and other sporadic work), income documentation should be obtained that covers the entire previous twelve (12) month period.
- 6. Any other documentation verifying the beneficiaries' eligibility (e.g. joint custody of a child documentation, management clarification documents, etc.);

All documents included in the beneficiary/tenant file must be fully completed, signed, and dated. IHCD will not accept documents that are incomplete, that have been marked with correction fluids (i.e. whiteout), or where information has been obliterated with pen or marker. All tenant signed forms must include the Fair Housing and Equal Opportunity logos (see Section 7.3).

## 4.2 Definition of Annual Income

Annual income is the amount of income that is used to determine a household's eligibility for assistance. Annual income is defined as follows:

1. All amounts, monetary or not, that go to or are received on behalf of the head of household, spouse or co-head (even if the household member is temporarily absent), or any other household member; or
2. All amounts anticipated to be received from a source outside the household during the twelve (12) month period following admission or annual recertification effective date.
3. Earned income is counted for all household members age 18 or older. Unearned income (such as benefits and asset income) is counted for all members of the household regardless of age.

Annual income includes the amount derived (during the 12 month period) from assets to which any member of the household has access. The subrecipient must obtain third party verification of income sources of all adult household members age eighteen (18) or older, as well as benefits paid on behalf of minors in the household.

**Regular Cash Contribution and Gifts:** All income received on a regular basis from persons not living in the units must be counted. These sources may include rent and utility payments paid on behalf of the household, and other cash or non-cash contributions provided on a regular basis. The only exceptions are child care expenses paid directly to the child care provider on behalf of

the household or groceries given to the household (actual grocery items, not money for groceries).

*Examples:*

The father of a young single parent pays her monthly utility bills. On average he provides \$100 each month. The \$100 must be included in the household's annual income.

The daughter of an elderly tenant pays her mother's \$175 share of rent each month. The \$175 value must be included in the tenant's annual income.

**Welfare Assistance as Income:** Welfare assistance is counted as income. Most subrecipients will use the actual gross amount of welfare assistance the household received. In certain "as-paid" localities, however, a special calculation is required. In an as-paid jurisdiction, welfare assistance for housing costs is established separately from the rest of the welfare assistance and may be adjusted based on the actual cost of the household's housing.

For welfare recipients, subrecipients in as-paid jurisdictions must count as income the amount of general assistance the household received plus the maximum amount of housing assistance the household could receive (rather than the amount the household is actually receiving).

**Self-Employed Persons:** Self-employment net income (after business expenses) from non-farm business, including proprietorship and partnership must be counted. Also, farm self-employment net income (after operating expenses) must be counted. Include amounts from land rented for shares.

**Military Income:** All regular pay, special pay, and allowances of a member of the Armed Forces must be counted. The exception to this rule is special pay to a household member serving in the Armed Forces who is exposed to hostile fire.

**Adults:** Count the annual income (earned and unearned) of the head, spouse, co-head, and any other adult members of the household. In addition, persons under the age of eighteen (18) who have entered into a lease, under state law, are treated as adults and their annual income must also be counted. These persons will be the head, spouse, or co-head; they are sometimes referred to as emancipated minors.

**Minor children:** Benefits or other unearned income, including income from assets, of minors is counted. This includes child support, AFDC payments, Social Security, and other benefits paid on behalf of the minor.

**Temporarily absent household members:** The income of temporarily absent household member is counted in Part 5 definition of annual income – regardless of the amount the absent household member contributes to the household. For example, a construction worker employed at a temporary job on the other side of the state earns \$600 per week. He keeps \$200 per week for expenses and sends \$400 per week to his household. The entire amount (\$600 per week) is counted in the household's income.

**Adult students living away from home:** If an adult full-time student is counted as a member of the household in determining the household size (to compare against the HUD income limits), only the first \$480 of the student's income must be counted in the household's income. However, if the

student is the head, co-head or spouse you must count the full amount of income. (NOTE: Verification must be obtained from the school verifying the student is full time.)

**Adult student living at home:** Count only earned income up to a maximum of \$480 per year for full-time students, age 18 or older, who is not the head of the household, co-head, or spouse. (NOTE: Verification must be obtained from the school verifying the student is full time.)

**Permanently absent household members:** If a household member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.

## Determining Household Size

The following persons shall not be included when calculating the household size for purposes of determining income eligibility: live-in aides (as defined in 24 CFR 5.403), unborn children, and children being pursued for legal custody or adoption who are not currently living with the household.

## Whose Income Should Not Be Counted

**Income of live-in aides:** If a household includes a live-in aide as a reasonable accommodation under Fair Housing, the income of the live-in aide, regardless of the source, is not counted.

**Earned income of minors:** Earned income of minors (age 17 and under) is not counted. However, unearned and asset income of minors is included in total household income.

## 4.3 Income Inclusions

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, and bonuses, and other compensation for personal services.
2. Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining the net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the household.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the household. Where the household has net household assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net household assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a period payment (except as provided in number 14 of Income Exclusions).

5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in number 3 of Income Exclusions).
6. Welfare Assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
  - The amount of allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
  - The maximum amounts that the welfare assistance agency could in fact allow the household for shelter and utilities. If the household's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one (1) application of the percentage.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. All regular pay, special day and allowances of a member of the Armed Forces (except as provided in number 7 of Income Exclusions).

#### 4.4 Income Exclusions

1. Income from employment of children (including foster children) under the age of eighteen (18) years.
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant household, who are unable to live alone).
3. Lump-sum additions to household assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in number 5 of Income Inclusions).
4. Amounts received by the household that are specifically for, or in reimbursement of, the cost of medical expenses for any household member.
5. Income of live-in aide (as defined in [24 CFR 5.403](#)).
6. Certain increases in income of a disabled member of qualified families receiving TBRA (24 CFR 5.67(a))
7. The full amount of student financial assistance paid directly to the student or to the educational institution.
8. The special pay to a household member serving in the Armed Forces who is exposed to hostile fire.
9. Amounts received under training programs funded by HUD.
10. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).
11. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and that are made solely to allow participation in a specific program.
12. Amounts received under a resident service stipend (as defined in [24 CFR 5.609\(c\)\(8\)\(iv\)](#)).
13. Incremental earnings and benefits resulting to any household member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a household member as resident management staff. Amounts excluded by this provision must be received under employment training programs



with clearly defined goals and objectives, and are excluded only of the period during which the household member participates in the employment-training program.

14. Temporary, nonrecurring, or sporadic income (including gifts).
15. Reparation payments paid by foreign government pursuant to claims under the laws of the government by persons who were persecuted during the Nazi era.
16. Earnings in excess of \$480 for each full-time student eighteen (18) years old or older (excluding the head of household or spouse).
17. Adoption assistance payments in excess of \$480 per adopted child.
18. Deferred period amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
19. Amounts received by the household in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
20. Amounts paid by a state agency to a household member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled household member at home.
21. Amount specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions of [24 CFR 5.609\(c\)](#) apply, including,
  - (i) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
  - (ii) Payments to Volunteers under the Domestic Volunteer Services Act of 1973;
  - (iii) Payments received under the Alaska Native Claims Settlement Act;
  - (iv) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;
  - (v) Payments or allowances received under the Department of Health and Human Services' Low-Income Home Energy Assistance Programs;
  - (vi) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians;
  - (vii) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands;
  - (viii) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under Federal work-study programs or under the Bureau of Indian Affairs student assistance programs. For Section 8 programs, the exception found in [Section 237 of Public Law 109-249](#) applies and requires the amount of financial assistance in excess of tuition shall be considered income in accordance with the provisions codified at [24 CFR 5.609\(b\)\(9\)](#), except for those persons with disabilities as defined by [42 U.S.C. 1437a\(b\)\(3\)\(E\)](#);
  - (ix) Payments received from programs funded under Title V of the Older Americans Act of 1965;
  - (x) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange liability litigation, M.D.L. No. 381 (E.D.N.Y.);
  - (xi) Payments received under the Maine Indian Claims Settlement Act of 1980 (Public Law 96-420, 25, U.S.C. 1721) pursuant to [25 U.S.C. 1728\(c\)](#);
  - (xii) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;



- (xiii) Earned income tax credit (EITC) refund payments received on or after January 1, 1991;
- (xiv) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- (xv) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990;
- (xvi) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act;
- (xvii) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998;
- (xviii) Any amount received under the School Lunch Act and the Child Nutrition Act of 1966 ([42 U.S.C 1780b](#)), including reduced-price lunches and food under the Special Supplemental Food Program for Woman, Infants, and Children (WIC);
- (xix) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990;
- (xx) Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts as provided by an amendment to the definition of annual income in the U.S. Housing Act of 1937 ([42 U.S.C. 1437](#)) by Section 2608 of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289, [42 U.S.C. 4501](#));
- (xxi) Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act of 1996 ([25 U.S.C 4101](#)) and administered by the Office of Native American Programs; and
- (xxii) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, United States District Court, District of Columbia, as provided in the Claims Resolution Act of 2010 (Pub. L 111-291).

## 4.5 Treatment of Assets

Third-party verification of all household assets is required, even if the total amount is less than \$5,000.

### What to Include as an Asset

In general terms, an asset is a cash or non-cash item of value that can be converted to cash. It is the income earned on the asset that is included in annual income (e.g. count the interest earned on the savings account), not the value of the asset itself.

The market value of an asset is its dollar value on the open market. The cash value of an asset is the market value minus reasonable expenses incurred to convert the asset to cash, including for example:

- Penalties or fees for converting financial holdings. Any penalties, fees or transaction charges levied when an asset is converted to cash are deducted from the market value to determine its cash value.

- Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property and any legal fees associated with the sale of real property are deducted from the market value to determine equity in real estate.

For the purposes of calculating annual income, the cash value of an item is counted as the asset, not the market value.

Any asset source that is not specifically excluded must be included. For more information regarding net household asset inclusions and exclusions, and how to determine the value of income from assets, see [Chapter 5 of HUD Handbook 4350.3](#) in Appendix A, specifically Section 5-7 and Exhibit 5-2.

## Actual Income from Assets

Actual income from assets is the income generated by the asset, such as interest or a dividend. This is counted as income even if the income is not received by the household, for example, if the interest or dividend is automatically reinvested into the asset. When net household assets (cash value of all assets) are up to \$5000, the actual income from assets is always the income used. When net family assets exceed \$5000 then the actual income must be compared to the imputed income from assets (see below) and the higher amount is used for income determination.

## Imputing Income from Assets

If net household assets (cash value of all assets) is greater than \$5000, asset income (which must be included as part of total gross household income) will be the greater of: a) actual asset income; or b) net family assets multiplied by the HUD approved passbook rate (the “Imputed Income from Assets”). The current passbook rate is 0.06%.

## Disposed of Assets

Assets disposed of for less than fair market value are included as assets for a period of two (2) years from the date of disposal. The amount to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset. This rule only applies if the difference between the cash value and the amount received is greater than \$1000.

Assets disposed of for less than the fair market value as a result of foreclosure or bankruptcy or those lost through a divorce or separation settlement are not included in this calculation.

## Asset Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average six (6) month balance.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Equity in a household’s primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement accounts and Keogh accounts (even though withdrawal would result in a penalty).

6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one (1) time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

## Asset Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated from the asset.
4. Equity in cooperatives in which the household lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

## 4.6 Adjusted Income

Gross household income is used to determine eligibility. However, once a household is certified as being income eligible, the subrecipient must then calculate the adjusted household income in order to determine the amount of tenant-paid rent.

IHCDA requires subrecipients to deduct from annual income any of five mandatory deductions for which a household qualifies. The resulting amount is the household's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

- (1) \$480 for each dependent;
- (2) \$400 for any elderly family or disabled family;
- (3) Unreimbursed medical expenses, to the extent the sum exceeds 3% of annual income;
- (4) Disability assistance deduction; and
- (5) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

### Dependent Deduction

An allowance of \$480 is deducted from annual income for each dependent [24 CFR 5.611(a)(1)]. Dependent is defined as any family member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

### Elderly or Disabled Family Deduction

A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An elderly family is a family whose head, spouse, co-head, or sole member is 62 years of age or

older, and a disabled family is a family whose head, spouse, co-head, or sole member is a person with disabilities [24 CFR 5.403].

#### **Medical Expense Deduction [24 CFR 5.611(a)(3)(i)]**

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed 3% of annual income. The medical expense deduction is permitted only for families in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28]. Definition of Medical Expenses HUD regulations define medical expenses at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.” The most current IRS Publication 502, Medical and Dental Expenses, will be used as a reference to determine the costs that qualify as medical expenses.

#### **Disability Assistance Deduction [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]**

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they:

- (1) are necessary to enable a family member 18 years or older to work,
- (2) are not paid to a family member or reimbursed by an outside source,
- (3) in combination with any medical expenses, exceed three percent of annual income, and
- (4) do not exceed the earned income received by the family member who is enabled to work.

#### **Childcare Expense Deduction**

HUD defines child care expenses at 24 CFR 5.603(b) as “amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.” Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family’s household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family’s household are included when determining the family’s child care expenses [HCV GB, p. 5-29].

#### **Anticipating Expenses**

Generally, subrecipients will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and nonschool periods and cyclical medical expenses), subrecipients will estimate costs based on historic data and known future costs. If a family has an accumulated debt for medical or disability assistance expenses, subrecipients will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. Subrecipients may require the family to provide documentation of payments made in the preceding year. In the event that at the time of initial certification or reexamination, the family reports that they are eligible for a Medicare or Medicaid spend-down subrecipients must determine if the spend-down cap was reached within the last 90 days. If yes, then the spend-down cap will be used as the family’s projected monthly medical expense, if the spend-down is expected to continue. If no, then the actual anticipated medical expense will be used if the medical expenses are expected to continue.

# Section 5: Housing Eligibility, HQS, Occupancy Standards, and Leasing

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## 5.1 Unit Selection and Transferability

The subrecipient must maximize housing choice when working with households to identify housing opportunities and may not require TBRA-assisted households to select units developed and/or rehabilitated under the HOME program or other affordable housing programs. In addition, the subrecipient may not require TBRA-assisted households to live in units owned or managed by the subrecipient.

Participants must be permitted to move out at the end of the lease term and take their TBRA assistance with them if the 24 month term of assistance has not yet expired. However, TBRA rental assistance can only be used to pay for assistance on rental units located within the State of Indiana.

## 5.2 Housing Quality Inspections

TBRA units must be inspected annually by the subrecipient. Subrecipients must utilize the IHCD HQS form (available on the [TBRA web page](#)) Inspections to verify compliance with HQS and occupancy standards must be conducted both at initial move-in and annually during the term of the TBRA assistance.

### **Landlord Notification of Inspections:**

While IHCD does not require that landlords be informed in advance of inspections of their units, subrecipients may want to discuss this requirement with its landlords when the lease is executed. Maintaining a good relationship with landlords will be an important part of the success of the program. A sample inspection letter is included on the [TBRA web page](#).

## 5.3 Failing Inspections

The following are common reasons why a unit may fail an HQS inspection: outlets not working properly, exhaust fans not working, broken window panes, windows that do not lock, leaking pipes or faucets, major holes in wall, etc.

If a unit fails inspection, the inspection form will contain comments detailing the areas that failed to meet HQS standards and will prescribe the necessary repairs needed in order to pass inspection. If the landlord is willing to repair the items listed, they will need to submit an affidavit detailing all of the repairs that were completed. The responsibility of completing the repairs falls on the owner, and the subrecipient is then required to re-inspect and verify completion. The affidavit is available on the [TBRA web page](#) and must be maintained in tenant files along with the Inspection forms. A participant cannot receive TBRA assistance until the landlord corrects all issues noted in the inspection report and the subrecipient has re-inspected the unit and approved it.

## 5.4 Occupancy Standards

Subrecipients must follow any HUD and/or local occupancy standards that specify the number of bedrooms needed by households of various sizes and composition.

**Eligible unit size:** The occupancy standards are used to provide consistent criteria for determining the unit size for which the household is eligible.

- When the household is selected for the HOME TBRA program, the subrecipient should counsel the household about the unit size for which the household is eligible.
- If the tenant selects a unit that is larger or smaller than the eligible unit size, the subrecipient should explain the impact of this choice on the tenant's payment and request approval from IHCD, if the tenant still wants that unit. For example, if the tenant is approved for a 2 bedroom unit and locates a 3 bedroom unit, the amount TBRA assistance would be based on the 2 bedroom standard.
- The subrecipient is responsible for explaining during the application process that no individuals whose names are not on the lease can live in TBRA assisted units.

### HUD Occupancy Standards

The number of bedrooms appropriate to the family size is established by the following chart:

Subsidy Standards			HQS Standards	
Voucher Size	Min. No. Persons in the Household	Max. No. of Persons in the Household	Unit Size	Max Occupancy (Counting Living Room as sleeping area)
0-BR	1	1	0-BR	1
1-BR	1	2	1-BR	4
2-BR	2	4	2-BR	6
3-BR	4	6	3-BR	8
4-BR	6	8	4-BR	10
5-BR	8	10	5-BR	12
6-BR	10	12	6-BR	14

Any room that is a sleeping room must have windows/sliding doors. Living rooms can be used as a bedroom for no more than two people if the room has a window/sliding door. When the participant chooses to use a living room as a bedroom, it must meet HQS as a bedroom, as well as comply with any applicable state or local codes. That is, there must be a window, either two electrical outlets or a single outlet and an overhead fixture, and a heat source (direct or indirect).

If a basement sleeping room is proposed, it must also meet the HQS rules as a bedroom. In addition, a basement room must have an adequate means of egress. This is defined as either a door that leads directly to outside, or an operable window that is at least 2 ft. x 3 ft. and no higher than 42 inches off basement floor.



## 5.5 Lease Requirements

**Term:** There must be a written lease between the tenant and the owner that has a term for a period of not less than one year.

Per HOME regulations, the lease **may not** contain the following provisions:

- Agreement by the tenant to be sued or to admit guilt, or a judgment in favor of the owner in a lawsuit brought in connection with the lease;
- Agreement by the tenant that the owner may take, hold or sell the personal property of household members without notice to the tenant and a court decision on the rights of the parties (this does not apply to personal property left by the tenant after move-out);
- Agreement by the tenant not to hold the owner or its agents legally responsible for any action or failure to act, whether intentional or negligent;
- Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant;
- Agreement that the owner may evict the tenant (or other household members) without a civil court proceeding where the tenant has the right to present a defense, or before a court decision on the rights of the tenant and the owner;
- Agreement by the tenant to waive a trial by jury;
- Agreement by the tenant to waive the tenant's right to appeal or otherwise challenge a court decision;
- Agreement by the tenant to pay attorney fees or other legal costs, even if the tenant wins in court;
- Agreement by the tenant to accept supportive services that are offered;
- Language allowing a rent increase without at least 30 day written notice; or
- Language allowing termination of a lease without good cause and at least 30 days written notice.

Landlords and tenants/participants receiving TBRA are required to execute IHCD's TBRA lease addendum (given to subrecipients at time of Award) in order to ensure that these prohibited provisions will not apply to any household receiving TBRA. Subrecipients must keep an executed copy of the lease addendum in each participant's file.

**The following leasing documents must be maintained in each TBRA participant/tenant file:**

- **A signed copy of the lease between the tenant and the landlord.**
- **Lease Addendum:** This document is an agreement between the landlord and the tenant and must be completed prior to submitting set-up paperwork for the household to IHCD. The addendum must be kept in each tenant file.
- **Rental Assistance Payment Contract ("RAP"):** The RAP Contract is an agreement between the landlord and the subrecipient. Subrecipients must complete this contract prior to submitting set-up paperwork for the household to IHCD. The contract must be kept in each tenant file. This document outlines and voids any prohibited lease language that may be found in the lease.

## Section 6: Parameters of Assistance and Termination

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### 6.1 Length of TBRA Assistance

- HOME TBRA rental assistance contracts with individual households may not exceed 24 months.
- The 24 month period begins on the first day of the lease and will end upon termination of the lease.

### 6.2 Annual Recertification

The following items need to be recertified annually using the same methodology described in this manual:

- **Housing Quality Inspections:** The subrecipient must conduct inspections annually to verify the unit's compliance with HQS and occupancy during the term of the TBRA assistance.
- **Recertifying income:** The subrecipient must re-examine the incomes of tenants receiving TBRA annually using source documentation. The subrecipient must re-evaluate family income, size and composition. The subrecipient must adjust the amount of rental assistance accordingly, based on the circumstances in effect at the time of recertification. **If a household's income exceeds the HOME low-income limit (80% AMI) at re-examination, its TBRA assistance must be terminated after the subrecipient gives notice of at least 30 days to the tenant and the landlord. While the rental assistance payments will end at that time, the household's lease cannot be terminated for an increase in income.**
- **Rent Reasonableness:** The subrecipient must utilize Go Section 8 software for rent reasonableness comparables.
- **Update leases and lease addendums:** The subrecipient must update files with newly signed lease documents annually.
- **Rent increases:** The subrecipients must also review and approve rent increases by landlords renting to tenants participating in the TBRA program. Owners may adjust rents as leases are renewed (generally annually). The subrecipient must disapprove a lease/unit if the rent is not reasonable or is above HUD published Fair Market Rent.
- **Tenants on Section 8 waiting list:** Special provisions are needed for tenants receiving HOME TBRA who were on the Section 8 waiting list at the time of selection. Households on the Section 8 waiting list that accept HOME TBRA must be permitted to remain on the Section 8 waiting list with the same preference status and must be offered Section 8 Housing Choice Voucher assistance when it becomes available to them.

### 6.3 Termination

The subrecipient must establish standards for when a landlord may elect to terminate or refuse to renew the lease of a TBRA household. These standards must be in writing. They must also be included within the lease and/or in the contract between the subrecipient and the tenant.



HOME TBRA assistance can be terminated for the following reasons:

**Voluntary Termination** is when the client chooses to leave the program for any reason including: the client no longer requires assistance, the client has enrolled in the Housing Choice Voucher Program or another program that provides housing assistance, etc.

**Involuntary Termination** is a termination initiated by the subrecipient due to the client's non-compliance with program requirements or fraud. Examples of non-compliance/fraud include but are not limited to:

- Client is no longer occupying the unit or subleases to another person who is not on the lease
- Client fails to execute a lease or provide requested information for application processing
- Client fails to report all sources of household income
- Client fails to identify all household members
- Client or family members falsify information in order to receive assistance

Termination or nonrenewal of leases may occur only for good cause. Good cause does not include nonparticipation in supportive services or tenant increases in income. While a lease cannot be terminated for increases in income, increases in income may result in the amount of rental assistance provided to be reduced to \$0. In addition, termination is not permitted if such eviction is discriminatory based on the household's protected class under the Fair Housing Act, HUD's Equal Access Rule, or the Violence Against Women Reauthorization Act of 2013.

### **Involuntary Termination Process**

According to HOME regulations, subrecipients who involuntarily terminate a client must follow a formal termination process that recognizes the client's right to due process of law.

This process must include:

- Serving the client with a written notice containing a clear statement of the reasons for termination;
- Permitting the client to have a review of the decision, in which the client is given the opportunity to confront opposing witnesses, present written objections, and be represented by their own counsel, before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
- Providing prompt written notification of the final decision to the client. Provide at least a 30-day written notice to the tenant in the event of lease termination or non-renewal.

## **Appeal Process**

The Appeal Process begins at the local level with an informal review designed to settle most problems through a review of the facts and resolution of the issues.

### **Informal Review**

If a participant disagrees with the reason for involuntary termination, he/she may submit a written request to the Executive Director (or equivalent) of the subrecipient for a review of the determination. The request must be submitted within 10 working days of participant's receipt of the determination and include specific reasons why the participant feels the termination decision was inaccurate or unfair. The participant may submit additional documentation for review by the Executive Director at

the time of the review request. The Executive Director will then have 15 working days to review the termination decision and render their findings. This time may be extended by the Executive Director in the interest of fairness.

### **Formal Appeal**

If the participant disagrees with the findings of the Executive Director, they may request a Formal Appeal of the decision from IHCD. The request must be submitted within 10 working days of Client's receipt of the Executive Director determination and sent to:

Indiana Housing and Community Development Authority  
Attn: Compliance Attorney  
30 S. Meridian Street, Suite 900  
Indianapolis, IN 46204

The Compliance Attorney will set the matter for hearing by sending written notice to the participant within 10 working days of receipt the participant's request. The written notice will inform the participant of: 1) the location, time and date of the hearing, 2) the participant's right to confront opposing witnesses, 3) the participant's right to present written objections or other evidence, 4) the participant's right to be represented by counsel at their own expense, 5) the participant's right to receive copies of all documents that will be presented by the subrecipient, and 6) the participant's right to have the hearing via telephone.

The participant must request the documents from IHCD no later than 12:00 p.m. Eastern Time on the business day prior to the scheduled hearing date if they can receive the documents by email. Otherwise, the participant must make the request for documents no later than five working days before the scheduled hearing date. The letter will further inform the participant that they must make any documents they wish to present at the hearing available to IHCD no later than 12:00 p.m. Eastern Time on the business day prior to the scheduled hearing date or the documents might not be allowed to be presented at the hearing.

The participant may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the participant or a necessary witness. Requests to reschedule a hearing must be made orally or in writing at least two working days **prior to** the hearing date.

If the participant does not appear or make themselves available by phone at the scheduled time, the hearing will be cancelled and no appeal will be heard. At its discretion, the Compliance Attorney will reschedule the hearing only if the participant can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

### **Compliance Attorney Decision**

The Compliance Attorney will issue a written decision, stating briefly the reasons for the final decision. The hearing decision will be furnished to the participant within 15 working days of the hearing. The decision of the Compliance Attorney is final.

## Section 7: Monitoring and Compliance

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### 7.1 Homeless Management Information System

The Homeless Management Information System (“HMIS”) is a secure, electronic data collection system used to determine the nature and extent of homelessness. Data regarding all homeless individuals assisted with the Program’s grant funds must be entered into either the Indiana Balance of State or the Indianapolis HMIS. IHCD will determine the HMIS that the recipient must use based on the geographic location of the project.

The recipient is required to enter data on participants at intake and discharge of the program at a minimum. The recipient is encouraged to utilize the other features of HMIS such as case notes, service tracking, and reporting functions. The data required for entry into HMIS includes at least the following data elements: Name, Social Security Number, Date of Birth, Race, Ethnicity, Gender, Veteran Status, Disabling Condition, Residence Prior to Entry, Zip Code, Length of Stay at Previous Residence, Housing Move-in Date, and Exit Destination. The recipient agrees to collect any other data elements as IHCD directs. For HMIS assistance or to get registered to use the system, please contact the HMIS Help Desk at: [hmishelpdesk@ihcd.in.gov](mailto:hmishelpdesk@ihcd.in.gov).

### 7.2 Monitoring

The TBRA Program Analyst will perform program compliance checks throughout the program year by reviewing IDIS forms, claims, and other information. A more thorough monitoring of the program will also occur. The Program Analyst will monitor a minimum of 25% of HOME TBRA Grant subrecipients every year. New subrecipients may be monitored within the first year of the award agreement.

The monitoring review may be done remotely or in person. At least three weeks of notice will be given to the subrecipient before monitoring begins so that the subrecipient can prepare using a monitoring checklist. The checklist contains a list of areas that will be reviewed and documents that will need to be made available at the time of monitoring. Upon completion of a monitoring review, IHCD will send a letter detailing all concerns and findings discovered during the review. The letter will be sent within 30 calendar days of the monitoring unless an investigation of findings requires more time. If there are findings or concerns discovered, the letter will request the recipient to submit a specific resolution or correction within a certain period of time. Significant deficiencies in program files or other record keeping that are found during a monitoring will result in required Plans of Corrective Action with possible loss of funds or repayment to IHCD.

In addition to IHCD’s monitoring, the subrecipient may be monitored by the local HUD office, HUD’s Office of Inspector General, HUD’s Office of Fair Housing and Equal Opportunity, or another federal agency to determine whether the subrecipient complied with the requirements of the program.

## 7.3 Reallocation Policy

**Unclaimed Funds:** Funds that were allocated to a specific subrecipient or allocated to IHCD's administrative costs that were not claimed by the subrecipient during the grant year or were leftover in the administrative category and not used by IHCD.

**Grant Cycle:** Two years from the award date.

**Procedure to re-allocate funds:**

At any point during a grant cycle IHCD may require organizations who are behind on the benchmarks defined in their award agreements to provide a spend-down plan for unclaimed funds remaining on their HOME TBRA award. Spend-down plans must be completed on a standard form provided by IHCD and must include information on anticipated monthly expenditures for housing costs, supportive services costs and administrative costs. IHCD will review all submitted spend-down plans to verify that planned expenditures are reasonable when compared to the organization's claims history and proposed goals for number of households served.

If an organization's spend down plan is determined by IHCD to be insufficient to expend the total award amount within the term of the award agreement, IHCD may offer the organization a 3 month extension to their award period and/or may de-allocate the portion of the award that is not expected to be spent. If an organization fails to provide a spend-down plan when requested, IHCD will review the organization's claim history to determine if they are on track to expend their full award amount. Organizations who do not submit the required spend-down plan when requested are not eligible for an award extension but may have a portion of their award de-allocated. IHCD will notify organizations of any award de-allocation via email with a letter stating the amount the award has been reduced by. If IHCD chooses to allow a grant extension, organizations will be notified via email with a letter stating the new grant end date and benchmarks that must be met during the extended time.

HOME TBRA funds de-allocated through this process may be added to the total available award amount under the next HOME TBRA RFP or may be re-allocated to another organization(s) with HOME TBRA awards who have met award benchmarks. Such reallocations will follow this policy and will be approved by IHCD's Executive Team through delegated authority.

## Section 8: Other Federal Requirements

### 8.1 A133 Audit and Financial Statements

Each year IHCDCA collects Year-End Financial Statements and A133 audits from its grantees/subrecipients. To provide better customer service we have changed the submission process. Organizations that are required to submit an A133 Audit will now send their financials to IHCDCA at [A133@ihcda.in.gov](mailto:A133@ihcda.in.gov).

#### A133 Audit Required

Subrecipients that expend \$750,000 or more in federal funds (as a collective whole from all of their grants) in a fiscal year must be audited in accordance with the requirements of OMB Circular A-133, and a copy of such audits must be provided to IHCDCA. If this applies to your organization, please submit an electronic copy of your financial statements and A-133 Audit to IHCDCA at [A133@ihcda.in.gov](mailto:A133@ihcda.in.gov). Hard copies will not be accepted. Questions regarding your A133 audit should be directed to [A133@ihcda.in.gov](mailto:A133@ihcda.in.gov).

Also, please check that your A-133 audit is performed by an approved auditor. You will find a list of approved auditors IHCDCA's website.

#### A133 Audit Not Required:

Smaller agencies that do not spend over \$750,000 of federal funds (as a collective whole from all of their grants) will only need to submit their year-end financial statement or Form 990 during RFQ time.

**Financials are due to IHCDCA according to the following schedule:**

Year End Date:	Due Date:
June 30	March 31 or 30 days after receipt of the auditor's report (whichever is earlier)
Dec 31	Sept 30 or 30 days after receipt of the auditor's report (whichever is earlier)

### 8.2 Lead Based Paint

The lead-based paint regulation at 24 CFR Part 35 consolidates all lead-based paint requirements for HUD-assisted housing. The purpose of this regulation is to identify and address lead-based paint hazards before children are exposed to lead. This regulation is divided into subparts.

Subparts that apply to the HOME program include:

- Subpart A: Disclosure
- Subpart B: General Requirements and Definitions
- Subpart J: Rehabilitation
- Subpart K: Acquisition, Leasing, Support Services, and Operations
- Subpart M: Tenant-Based Rental Assistance
- Subpart R: Methods and Standards for Lead-Based Paint Hazard Evaluation and Reduction

**The HOME TBRA sub-recipient is responsible for the following:**

#### A. For every unit:

1. Providing all prospective families with the booklet entitled, "**Protect Your Family from Lead in Your Home**",
2. Lead-Based Paint Exemption form is completed,
3. HQS inspection is performed,
4. Inspector uses **Form HUD-52580**, and
5. Inspector **must** attend HUD Visual Assessment training at the following link:  
<http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm>  
 and **submit certificate of completion to IHCD**.

**A. If child under six is in unit and unit was built prior to 1978 (additional items);**

1. Disclosure of known lead-based paint hazards to prospective tenants before the lease is signed, **Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards (LBP Disclosure Form) is completed,**
2. The Sub-recipient and Landlord must execute an "**Agreement for Ongoing Maintenance Activities related to Lead-Based Paint Requirements**" , drafted by IHCD,
3. **Visual assessment for deteriorated paint is performed, at periodic and annual HQS inspections,**
4. Deteriorated painted surfaces is stabilized and hazard reduction activities are performed,
5. Tenants are notified each time such an activity is performed,
6. All work is conducted in accordance with HUD safe practices,
7. Records are maintained concerning paint stabilization by owners of deteriorated paint,
8. Clearance examinations are performed after paint stabilization and before re-occupancy,
9. If the Sub-recipient is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than 6 years of age, living in an COC-RR assisted unit has been identified as having an elevated blood lead level ( "EBLL" ), the Sub-recipient must complete an environmental investigation of the dwelling unit. The environmental investigation must be completed in accordance with program requirements, and the result of the environmental investigation must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner,
10. Records are maintained concerning a child with an EBLL in a covered unit,
11. Reevaluation shall be conducted and the Sub-recipient shall conduct interim controls of lead-based paint hazards found in the reevaluation.
12. As part of ongoing maintenance asking each family to report deteriorated paint

## Lead Based Paint Visual Assessment

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

- On the HQS Inspection form, there is a question for each room in the household regarding the presence of lead-based paint. After the inspection is completed and received by subrecipient, it is the responsibility of the subrecipients to complete the **'Disclosure Form for Target Housing Rentals and Leases'** Form. This must be completed based on the results of the HQS Inspection form. The subrecipient must ensure that the property owner corrects any conditions identified in the HQS inspection regarding Lead-Based Paint, including stabilizing deteriorated paint identified in the visual assessment. It must be stabilized by properly trained or supervised workers using lead-safe work practices. Reference the following Web site for more information:  
<http://www.hud.gov/offices/cpd/affordablehousing/training/web/leadsafe/tenantbased/keyrequirements.cfm>

## 8.3 Fair Housing

### Protected Classes and Prohibited Activities under Fair Housing and HUD's Equal Access Rule

The owner or agents of the owner shall not discriminate in the provision of housing on the basis of race, color, sex, national origin, religion, familial status, or disability [the seven protected classes under the Fair Housing Act]. Nondiscrimination means that owners cannot refuse to rent a unit, provide different selection criteria, fail to allow reasonable accommodations or modifications, evict, or otherwise treat a tenant or applicant in a discriminatory way based solely on that person's inclusion in a protected class. Owners may not engage in steering, segregation, false denial of availability, denial of access to services or amenities, discriminatory advertising, or retaliation against individuals that make fair housing complaints.

Effective March 5, 2012, all HUD funded properties (including HOME/CDBG/CDBG-D/NSP funding) are subject to the rule entitled "Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity." According to this rule, HUD-assisted properties must make housing available without regard to actual or perceived sexual orientation, gender identity, or marital status. Additionally, HUD-assisted housing providers are prohibited from inquiring about the sexual orientation or gender identity of applicants and occupants for the purpose of determining eligibility for housing. For purposes of this rule, the term "gender identity" means actual or perceived gender-related characteristics and the term "sexual orientation" means homosexuality, heterosexuality, or bisexuality.

Property owners & managers must allow persons with disabilities to make reasonable modifications (structural changes) so that they can fully enjoy their homes. Also, property owners and managers must allow reasonable accommodations (flexibility in rules and policies) so that persons with disabilities may fully enjoy their homes.

### Required Actions

All subrecipients should be familiar with both state and federal civil rights and fair housing laws. IHCD strongly encourages subrecipients to provide Fair Housing and Equal Opportunity training



for all staff, including maintenance staff, associated with any property. Staff should attend a Fair Housing and Equal Opportunity training at least once every calendar year.

All participant selection plans must acknowledge that the program follows the Fair Housing Act's nondiscrimination requirements. In addition, tenant signed forms must include the Fair Housing and Equal Opportunity logos below.



See Chapter 10 of [IHCD's HOME, CDBG and HTF Manual](#) for more information on Fair Housing, Equal Opportunity, Non Discrimination and Equal Access.

## 8.4 Violence against Women Reauthorization Act of 2013 (VAWA)

### Notification of Occupancy Rights under VAWA and Certification Form

The subrecipient must ensure that notice of occupancy rights which is set forth in **Form HUD 5380** is provided to each of its applicants and to each of its tenants. The subrecipient must provide the certification form set forth in **Form HUD 5382** to the applicant for a HOME-assisted unit at the time the applicant is admitted to a HOME-assisted unit, or denied admission to a HOME-assisted unit based on the subrecipient's participant selection policies and criteria. The subrecipient must also provide the notice of occupancy rights and the certification form with any notification of eviction.

### Lease Addendum

The IHCD lease addendum incorporates all of the requirements that apply to the owner under 24 CFR part 5, subpart L, and 24 CFR 92.359(e), including the prohibited bases for eviction and restrictions on construing lease terms under 24 CFR 5.2005(b) and (c). The IHCD lease addendum also states that the tenant may terminate the lease without penalty if IHCD determines that the tenant has met the conditions for an emergency transfer under 24 CFR 5.2005(e).

### Emergency Transfers

The subrecipient must use and implement the emergency transfer plan set forth in **Form HUD-5381** and must make the determination of whether a tenant qualifies for an emergency transfer under the plan. The subrecipient may provide **Form HUD -5383** to a tenant that is requesting an emergency transfer. With respect to tenants who qualify for an emergency transfer and who wish to make an external emergency transfer when a safe unit is not immediately available, the subrecipient must provide a list of properties in the jurisdiction that include HOME-assisted units. The list must include the following information for each property: The property's address, contact information, the unit sizes (number of bedrooms) for the HOME-assisted units, and, to the extent known, any tenant preferences or eligibility restrictions for the HOME-assisted units. In addition, the subrecipient may:

- (1) Establish a preference under the subrecipient's HOME program for tenants who qualify for emergency transfers under 24 CFR 5.2005(e); and
- (2) Coordinate with victim service providers and advocates to develop the emergency transfer plan, make referrals, and facilitate emergency transfers to safe and available units.



**Prohibited Denial/Termination**

Subrecipient shall ensure that any applicant for or tenant of HOME-assisted housing may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy.

**Lease Terms**

Subrecipient shall ensure that an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking shall not be construed as:

- A. A serious or repeated violation of a lease for HOME-assisted housing by the victim or threatened victim of such incident; or
- B. Good cause for terminating the assistance, tenancy or occupancy rights to HOME-assisted housing of the victim of such incident.

**Termination on The Basis of Criminal Activity & Bifurcation of Lease**

No person may deny assistance, tenancy, or occupancy rights to HOME-assisted housing to a tenant solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking that is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, if the tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, or stalking. Notwithstanding the foregoing, the subrecipient and/or manager of HOME-assisted housing may bifurcate a lease for the housing in order to evict, remove, or terminate assistance to any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant of the housing. The subrecipient and or manger or HOME-assisted housing must provide any remaining tenants with an opportunity to establish eligibility and a reasonable time to find new housing or to establish eligibility.

**Confidentiality of Tenant Information Related To Domestic Violence, Dating Violence, Sexual Assault, or Stalking**

The subrecipient shall ensure that any information submitted to the subrecipient and or staff of HOME-assisted housing including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking shall be maintained in confidence and may not be entered into any shared database or disclosed to any other entity or individual, except to the extent that the disclosure is:

- A. Requested or consented to by the individual in writing;
- B. Required for use in an eviction proceeding against any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking; or
- C. Otherwise required by applicable law.

**Remedies Available To Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking**

The subrecipient may bifurcate a lease, or remove a household member from a lease in order to evict, remove, terminate occupancy rights, or terminate assistance to such member who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking

against an affiliated individual or other individual:

(i) Without regard to whether the household member is a signatory to the lease; and

(ii) Without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant.

A lease bifurcation, shall be carried out in accordance with any requirements or procedures as may be prescribed by Federal, State, or local law for termination of assistance or leases. If a family who lives in a HOME-assisted rental unit separates under 24 CFR 5.2009(a), the remaining tenant(s) may remain in the HOME-assisted unit.

### **Limitations of VAWA Protections**

VAWA as applied in this Agreement does not limit the authority of the subrecipient, when notified of a court order, to comply with a court order with respect to:

- The rights of access or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, or stalking; or
- The distribution or possession of property among members of a household.

VAWA as applied in this Agreement does not limit any available authority of the subrecipient to evict a tenant for any violation not premised on an act of domestic violence, dating violence, sexual assault, or stalking that is in question against the tenant or an affiliated individual of the tenant. However, the subrecipient must not subject the tenant, who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, or is affiliated with an individual who is or has been a victim of domestic violence, dating violence, sexual assault or stalking, to a more demanding standard than other tenants in determining whether to evict or terminate assistance.

VAWA as applied in this Agreement does not limit any available authority of the subrecipient to terminate assistance to or evict a tenant under a covered housing program if the subrecipient can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the Project would be present if that tenant or lawful occupant is not evicted or terminated from assistance. In this context, words, gestures, actions, or other indicators will be considered an “actual and imminent threat” if they meet the standards provided in the definition of “actual and imminent threat” in 24 CFR 5.2003.

Any eviction or termination of assistance, should be utilized by the subrecipient only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns

### **Required Forms**

IHCDA mandates the use of the following HUD VAWA forms for all projects subject to VAWA compliance, as defined in Section 7.4 above. All forms are available in [Appendix J](#).

- **HUD 5380:** Notice of Occupancy Rights Under VAWA. Must be provided at the following times, along with a copy of the HUD 5382:

- At the time of initial admission; and
  - At the time of denial of tenancy; and
  - When termination / eviction notices are sent.
- **HUD 5381:** Model Emergency Transfer Plan. The owner must create a model plan specific to each project. The plan must be made available for review by tenants and by IHCD.
- **HUD 5382:** Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking. This form is to be used by tenants as a self-certification form. A copy must be attached any time the HUD 5380 is distributed.
- **HUD 5383:** Emergency Transfer Request. This form is used by tenants to request a transfer under VAWA.

## Appendix A: Application Process

Following are the key steps in processing applications for TBRA.

### Step 1: Application Intake and Waiting Lists

The subrecipient follows its written participant selection plan, which explains how local preferences will be applied.

Good record-keeping is essential to demonstrate that all eligible families had the opportunity to apply and were treated fairly throughout the application process. The subrecipient must use a TBRA Application Form and retain records on the status of all applications. IHCD has a sample Application Form, but the subrecipient may utilize their own form with IHCD approval.

### Step 2: Eligibility Determinations

The subrecipient must verify all factors that relate to the family's eligibility -- the household composition, preference and income information provided by the family. The HOME rules require examination of source documents (for example, wage or interest statements) for TBRA households to determine the family's income.

### Step 3: TBRA Voucher Issuance

Once a household is determined eligible and selected to receive assistance, the subrecipient should issue the family a TBRA voucher. This is the family's authorization to look for housing (or to request that the subrecipient to approve the unit in which the family already lives).

### Step 4: Request for Unit Approval

When the participant finds an acceptable unit and a landlord willing to participate in the TBRA program, the participant must submit a request for unit approval. The subrecipient must inspect the unit to assure that it meets HQS. The subrecipient must determine whether the rent being charged for the unit is reasonable, based upon the rents being charged for comparable un-assisted units. Utilize [www.GoSection8.com](http://www.GoSection8.com) to search for comparable units. Usernames for the software can be granted through the TBRA Program Analyst.

### Step 5: Lease Execution

Once the subrecipient has inspected and accepted the unit and determined that the rent the owner is charging is reasonable, three things must occur:

1. Tenant lease: The landlord and the tenant must enter into a lease.
2. Lease Addendum: The subrecipient must provide the tenant and landlord with a lease addendum to be used in conjunction with the landlord's lease.
3. Rental Assistance Payment Contract: The subrecipient and the landlord must enter into an agreement in which the Landlord agrees to comply with the HOME rules and the subrecipient agrees to make its share of the payment.

## Appendix B: List of Required documents for TBRA

The following documents are required for the program.

### Tenant File:

- TBRA Application for Assistance
- Verification of Formerly Incarcerated (Part 3.2)
- Signed receipt of VAWA Forms
- Signed receipt of Lead Disclosure Form & Fair Housing Brochure
- Signed receipt of Termination Policies and Appeals Process
- Third-party verification of all income and asset sources as described in Part 4
- Tenant Income Certification (TBRA webpage)
- Tenant Income Certification Questionnaire (TBRA webpage)
- Tenant Income Calculation Form/Documentation of method of rent contribution
- Request for Unit Approval Form
- Copy of signed Lease
- W-9 or 1099 from landlord
- Lease Addendum
- RAP (Rental Assistance Payment Contract) between subrecipient and tenant
- RAP (Rental Assistance Payment Contract) between subrecipient and landlord
- Rent Reasonable Printout from GoSection8 website
- HUD Approved Utility Allowance Schedule
- HQS Inspection Form (HUD 52580)
- Student Status Form (TBRA webpage)

### Other Program Forms:

- IDIS Forms
- Claim Form & Documentation
- Copy of Executed Program Agreement
- Participant Selection Plan

All tenant signed forms must include the Fair Housing and Equal Opportunity logos below.

